

**Arizona Public Service
In Opposition
E-01345A-11-0224**

ORIGINAL



0000128568

**INA CORPORATION COMMISSION
UTILITY COMPLAINT FORM**

Investigator: Guadalupe Ortiz

Phone: (602) 542-2406

Fax: (602) 542-2129

Priority: Respond Within Five Days

Complaint No. 2010 - 92151

Date: 12/28/2010

Complaint Description: 02B Deposits - Additional
N/A Not Applicable

Arizona Corporation Commission

DOCKETED

AUG 24 2011

Complaint By: First: Kent

Last: Bybee, Owner

Account Name:

Home:

Street:

Work: (

City: Flagstaff

CBR:

State: AZ Zip: 86001

is:

Utility Company: Arizona Public Service Company

Division: Electric

Contact Name: Angela Allison

Nature of Complaint:

*****2/9/11 REFERRAL RECEIVED FROM CHAIRMAN PIERCE'S OFFICE*****

Customer recently installed a new SES and was required by APS to pay \$8,000.00 to upgrade the existing transformer. APS informed the customer that after the new transformer, SES and meter was installed he would have to call APS to request the service be transferred to the new meter.

Customer called APS this morning to request the service be transferred to the new meter as he was instructed to and was informed by APS that he would be required to pay an additional deposit. Customer questioned the reason for the deposit as he already has a deposit on file? Per customer, APS informed him that is what is required. APS was unable to advise the customer of the amount of the deposit that would be billed. Customer states that he has a \$2,000.00 deposit on file for his account.

Customer can not afford to pay an additional deposit after having paid \$8,000.00 to upgrade a transformer.

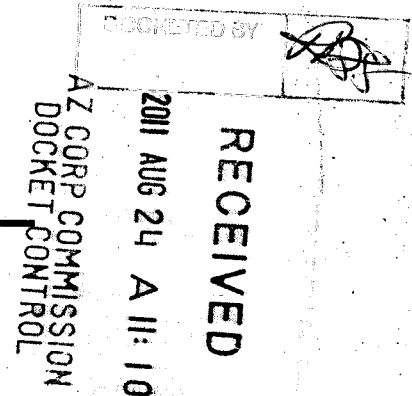
APS:

DOES CUSTOMER CURRENTLY HAVE A DEPOSIT ON FILE FOR HIS ACCOUNT? IF SO, WHAT IS THE AMOUNT? PLEASE EXPLAIN WHY APS IS REQUIRING AN ADDITIONAL DEPOSIT FROM CUSTOMER? WHAT IS THE AMOUNT OF THE NEW DEPOSIT?

End of Complaint

Utilities' Response:

1/5/10 @4:13PM Angela Allison at APS called to advise that she just spoke to the customer who hung up on her after she informed him of the reason a deposit is necessary. Per Angela, the customer has had 10 late payments in last 12 months and currently has a very small deposit in the amount of \$500.00 on file. The customers most recent bill was in the amount of \$2500.00, so Angela is not sure how APS arrived at the required deposit amount \$2300. Angela will be investigating if the new meter was installed to a new bldg which



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could be the reason for APS' deposit being less than 2 1/2 times the average bill for non residential customer.

1/6/11 Email from APS:

From: ConsAdv@apsc.com [mailto:ConsAdv@apsc.com]
Sent: Thursday, January 06, 2011 2:29 PM
To: Guadalupe Ortiz
Subject: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Lupe,

I have investigated Kent Bybee's concerns with a request for a deposit and found he connected electric service to his business in Flagstaff on December 20, 2005. The business is listed as the Royal Inn and is currently billed on the APS E-32 XS (General Service Extra Small) rate plan.

Company records indicate Mr. Bybee contacted APS in late October 2010 and explained that the Inn experienced a fire in one of the rooms. As a result, the county has forced him to remove all of the gas heaters. Mr. Bybee has converted the Inn to electric heat which has increased his load and he has placed a larger 800 amp service entrance section (SES) on the Inn. He now needs the APS transformer upgraded to accommodate the additional load.

APS designed the job per Section 5.10.1 of Schedule 3, Revision No. 11, dated January 1, 2010. The job requires the removal of a 50kVA transformer and the installation of a 100kVA transformer. The cost of the new transformer is \$7152.00. Additionally, APS would need to extend 95 feet of underground service wire from the overhead transformer to the newly installed SES at a cost of \$937.65. APS then gave Mr. Bybee a credit \$547.23 for the existing transformer and its residual value which brings the total cost of the job to \$7542.42. Mr. Bybee paid a design deposit of \$860.00 on November 16, 2010 and paid the remaining balance of \$6682.42 on December 1, 2010.

APS completed the transformer upgrade on December 28, 2010. Mr. Bybee called APS that same day and requested APS connect service to the new meter. APS informed him an additional deposit of \$2310.00 was required prior to connection of service. (per Sch 1, 2.6.2) Mr. Bybee already has a \$500.00 deposit on file that was paid in December 2005 when he originally requested service. The APS account has experienced ten (10) late payments in the last twelve months of service.

I spoke with Mr. Bybee on January 5, 2010 and he informed me the Inn is a homeless shelter. He is upset he had to pay for the upgrade and the other four (4) customers utilizing the transformer did not. I explained the burden of cost is on him since he made the request for the upgrade due to the additional load. Mr. Bybee then made a comment about owning the transformer. I informed him (per Sch 3, 5.5) that all electric facilities installed in accordance with Schedule 3 are owned, operated and maintained by APS. He disagrees with this.

I advised Mr. Bybee that my goal is to establish a payment arrangement on the deposit in an effort to prevent the service from being shut off for non-payment of the deposit. (per Sch 1, 7.1.4) I offered to reduce the deposit if he would be willing to enroll in Surepay which allows customers to pay their APS electric bill directly from their checking or savings account each month. He stated he would have to check with his wife. He then indicated he did not have any money to pay for the deposit. The hotel needs a new roof and the money set aside for the roof was paid toward the transformer upgrade. I asked Mr. Bybee what he can afford to pay on a monthly basis toward the deposit and he stated \$10.00 and then ended the call.

As a side note, per Sch 1, 2.7.7, the deposit for a non-residential customer is 2.5 times the high bill. Company records indicate the high bill at the Inn was \$1125.24 in March 2010 so the required deposit amount is \$2810.00. However, Mr. Bybee currently has a \$500.00 deposit on file so APS is asking for the difference of \$2310.10.

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Please let me know if you have any questions.

Thanks,

Angela Allison
APS Sr. Consumer Advocate

End of Response

Investigator's Comments and Disposition:

12/28/2010 Emailed to APS.

1/10/11 @3:55PM Called customer, spoke to his wife Lynette. Advised of response received from APS, customer understands the situation but can not afford to pay the entire deposit. I provided the customer Angela's contact information and requested that she call APS to discuss what would be a manageable payment arrangement. Customer confirmed that she would contact APS and thanks the Commission for investigating on her behalf. CLOSED

1/12/11 Email from APS:

From: ConsAdv@apsc.com [mailto:ConsAdv@apsc.com]
Sent: Wednesday, January 12, 2011 5:25 PM
To: Guadalupe Ortiz
Subject: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Update:

I spoke with Lynette Bybee today and she informed me they had to take out a loan to pay for the service upgrade. Therefore, they cannot afford to pay an additional deposit while they are paying the loan. I agreed to hold off on requiring the deposit until 04/15/11. By then the high winter bills should decrease and they can pay more toward the deposit. Ms. Bybee will call me on 04/15/11 to establish a payment arrangement on the deposit.

Thanks,

Angela Allison
APS Sr. Consumer Advocate

2/9/11 REFERRED FROM CHAIRMAN PIERCE'S OFFICE:

From: Kent Bybee [mailto:kbybee57@gmail.com]
Sent: Wednesday, February 09, 2011 9:06 AM
To: Antonio Gill
Subject: Royal Inn - APS electrical upgrade

Antonio,

My name is Kent Bybee and am the owner of the Royal Inn in Flagstaff, Arizona. A year ago Dec. 23rd, 2009 we had a fire in one of our rooms due to old outdated gas wall furnace that caused extensive damage resulting in us having to meet code requirements by removing all of the popcorn ceilings and the gas wall heaters in all of the 24 rooms in the motel. The Royal Inn is not the typical motel in that we have long term mentally ill and transient homeless women, children, and families that we take care of. Because of the required upgrade our existing electrical service was inadequate to handle the electrical heater installation in the building. We contacted Delta Deversified to come and run new conduit and install the electric wall heaters in the individual rooms with all of the switchgear ect. to make the power upgrade. The electricians fees for this upgrade took all

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of the code upgrade monies that the insurance company would give us to meet the requirements. When we contacted APS to inform them that the upgrade would require a higher voltage transformer they informed us that we would have to pay for the transformer, the conduit, trenching and the labor fees to make this change. I didn't understand why the power company being a public service would charge me to perform an upgrade on their old system at my expense to just supply me with their power at a cost of \$10,000 and also a \$2300 additional deposit.

In every other state that I have lived in the public utility companies are non-profit organizations that are required to deliver their service to the public to the meter. If the customers have to pay for the transmission lines, meters, and the installation then what is it that we are paying our power bills for. I then found out that Arizona Public Service is not a public service organization at all but is a for-profit corporation serving their own pockets with the peoples monies. The corporation commission is supposed to represent the people from corporate monopolies and greed. That was the charter for establishing the corporation commission in the first place. I would really like to be represented against this for profit organization in regaining my \$10,000 so that I can continue to help people that really need the services and not a corporation that makes billions of dollars profit on a monopolized so called public service.

Thank you, Kent Bybee

2/10/11 @1:30 pm Provided Antonio in Chairman Pierce's office a copy of the closed complaint and a copy of APS' Service Schedule 1 and 3 approved tariffs. Explained to Antonio the sections of the tariffs that apply to this complaint and how these tariffs support APS' requirements of the customer. Antonio will follow up with the customer.

2/10/11 @2:31pm Called Angela Allison at APS, requested a return call in regard to the customer's Deposit. Advised Angela that the Commission would like information on the customer's bills since the customer's new equipment was installed. Questioned if the customer's bills have decreased or increased? And, if so, by what amount? Questioned how the change in the bills will affect the deposit amount previously required, would customer be eligible for a decrease in the deposit amount?

Angela stated that before the fire the customer had gas heat, after the fire the customer converted to all electric. Per Angela, since the conversion to all electric, the customer's usage has doubled which would affect the deposit by increasing the amount required. Angela states that APS has decided not to increase the deposit required at this time. CLOSED

1/25/11 - Customer called Chairman Pierce's office in regard to a high bill he received in the amount of \$4,000.00 from APS. Customer informed Antonio in Chairman Pierce's office that he called APS to question the accuracy of the bill and could not get a reasonable explanation. Antonio is requesting that Staff obtain further clarification of the high bill the customer is concerned with.

2/25/11 Emailed to APS:

From: Guadalupe Ortiz
Sent: Friday, February 25, 2011 3:21 PM
To: 'ConsAdv@apsc.com'
Subject: RE: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Angela,

Mr. Bybee contacted Chairman Pierce's office today in regard to a high bill he received from APS in the amount of \$4,000.00. Mr. Bybee advised Antonio in Chairman Pierce's office that he called APS to question the accuracy of the bill and could not get a reasonable explanation. Antonio has requesting that I obtain further clarification of the bill in question.

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Can you research APS records and advise if the customer called expressing concern of a high bill? And, if so on what date and how APS responded? Does the customer's account reflect an increase in his usage? Please provide a copy of the bill to the Commission for review.

Please contact the customer to share the findings of your research with him and provide the Commission a follow up of your conversation with the customer.

Thank You,

Guadalupe Ortiz
Public Utilities Consumer Analyst
Arizona Corporation Commission
Utilities Division
Phone: (602) 542-2406
Fax: (602) 542-2129
Email: Gortiz@azcc.gov

2/28/11 Email from APS:

From: Angela.Allison@aps.com [mailto:Angela.Allison@aps.com]
Sent: Monday, February 28, 2011 2:58 PM
To: Guadalupe Ortiz
Subject: FW: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Hi Lupe,

As a reminder, the Bybee's business in Flagstaff is listed as the Royal Inn and is currently billed on the APS E-32 (General Service Small) rate plan.

I have attached a copy of Lynette Bybee's February 2, 2011 bill. Please note that the bill includes a shut off notice. The notice indicates the delinquent balance of \$1349.96 needs to be paid or the electricity is subject to disconnection on February 11th. (per Sch 1, 7.1.2). The bill also indicates the current charges of \$2852.56 are due on February 15th. APS received a payment of \$1372.20 on February 17, 2011.

Company records indicate Mr. Kent Bybee contacted APS on February 25th and disputed the high bill. He informed APS he recently upgraded the service entrance section (SES) from 200 amp service to 800 amp service. APS explained this would increase the Inn's demand which would subsequently, increase the bill. APS explained to him how to read the bill and pointed out the meter has a multiplier of 80 as can be seen on page 4 of the bill.

Lupe, APS only uses 200 amp capacity meters. So, current transformers are installed to reduce the current to a measurable ratio when a SES is above 200 amps. The usage on the meter is multiplied by a factor (based on the ratio) to determine the actual power consumed.

Additionally, the Bybee's have not yet removed the original 200 amp panel. They are currently utilizing both SES's. They can reduce their bill by a small amount if they remove the 200 amp panel which would save them the basic service charge each month.

That said, the APS Business Center is currently working with Mr. Bybee to help him calculate the Inn's expected demand based on the installation of electric heat. I will provide an update once I have more information.

Please let me know if you have any questions.

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Thanks,

Angela Allison
APS Sr. Consumer Advocate

ATTACHED: Bill dated, 2/2/2011

3/1/11 @4:30pm Called Angela at APS requested a return call in regard to what the customer's demand was prior to the change in his SES. Requested that she either call me or send me an email with this information.

3/2/11 Email from APS:

From: Angela.Allison@aps.com [mailto:Angela.Allison@aps.com]
Sent: Wednesday, March 02, 2011 11:05 AM
To: Guadalupe Ortiz
Subject: FW: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Lupe,

I have attached a copy of the business's consumption since January 2010. The 200 amp service entrance section that has been connected in the Bybee's name since December 2005 utilizes the address of 2138 E. Route 66 in Flagstaff. The newly installed 800 amp service entrance section utilizes the address of 2140 E. Route 66 in Flagstaff. The service entrance section's are separately metered.

The 800 amp service entrance section was connected and APS installed a meter on 12/28/10. Their first bill is a 30 day bill running from 12/28/10 to 01/27/11.

Please let me know if you have any questions.

Thanks,

Angela Allison
APS Sr. Consumer Advocate

ATTACHED - CONSUMPTION HISTORY:

LYNETTE BYBEE

ACCOUNT NO.
METER NO.

Meter Reading Date Total kWh Usage kW Demand Electric Bill # of Days

01/27/2011	7123	25	\$952.48	30
12/28/2010	14025	27	\$1,349.96	34
11/24/2010	8879	25	\$1,031.74	29
10/26/2010	5246	16	\$814.35	32
09/24/2010	4157	13	\$663.15	30
08/25/2010	4184	12	\$666.55	29
07/27/2010	3843	9	\$617.39	32
06/25/2010	3192	10	\$515.11	30
05/26/2010	1145	13	\$181.04	8
05/18/2010	4896	18	\$673.46	21

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04/27/2010 6858 20 \$819.01 29
03/29/2010 10309 22 \$1,041.18 31
02/26/2010 11722 23 \$1,125.24 30
01/27/2010 11355 22 \$1,087.21 30

LYNETTE BYBEE

ACCOUNT NO.
METER NO.

Meter Reading Date Total kWh Usage kW Demand Electric Bill # of Days
1/27/2011 12960 52 \$1,877.84 30

3/4/2011 Email from APS:

From: Guadalupe Ortiz
Sent: Friday, March 04, 2011 2:04 PM
To: 'Angela.Allison@aps.com'
Subject: RE: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Angela,

Has APS discussed the possibility of eliminating the original 200 amp panel with the customer to reduce his bill? If so, when and how did the customer respond to this suggestion? What is the status of APS Business Center and the customer's work in calculating the Inn's expected demand?

Thanks,

Guadalupe Ortiz
Public Utilities Consumer Analyst
Arizona Corporation Commission
Utilities Division
Phone: (602) 542-2406
Fax: (602) 542-2129
Email: Gortiz@azcc.gov

3/7/2011 Email from APS:

From: Angela.Allison@aps.com [mailto:Angela.Allison@aps.com]
Sent: Monday, March 07, 2011 3:06 PM
To: Guadalupe Ortiz
Subject: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151 (Advocate Ref # 20546)

Lupe,

Company records indicate Mr. Bybee called APS on February 25, 2011 and questioned the kW demand portion of his bill. APS agreed to research the potential kW demand of the hotel's previous portable electric space heaters vs. the new wall heaters that were installed in each room.

Apparently, the hotel had been utilizing portable electric space heaters in each room until the new 800 amp panel was energized and they could use the newly installed wall heaters. APS followed up with Mr. Bybee on March 2nd and informed him the previous portable electric space heaters each utilized a 1.5 kW demand and the new wall heaters each use a kW demand of 4.8.

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Mr. Bybee then asked APS to disconnect service to the new meter (Meter No. W98290) that was installed to accommodate the 800 amp panel because he could not afford to use the new in room wall heaters. APS completed his request and disconnected the service to the newly installed meter on March 3, 2011. APS has not yet mailed a final bill but the regular monthly bill (attached) produced on March 2, 2011. The bill indicates the current charges for meter number W98290 are \$1934.30 and the kW demand was 60 kW. The bill is a 29 day bill for usage from January 27th to February 25th.

Mr. Bybee advised APS on March 4, 2011 that he and Lynette will discuss what they can do as far as a payment arrangement and will call back when ready to establish an arrangement toward the balance owing from the recently disconnected service.

As a side note, I still expect to hear from Lynette Bybee in mid April to establish a payment arrangement on the additional deposit requirement of \$2310. Please let me know if you have any questions.

Thanks,

Angela Allison
APS Sr. Consumer Advocate

Attached: Bill dated 3/2/11

3/7/11 Emailed an updated copy of customer complaint to Chairman Pierce's office:

From: Guadalupe Ortiz
Sent: Monday, March 07, 2011 3:27 PM
To: Antonio Gill
Subject: ACC Complaints: Bybee, Owner, Kent - Complaint No. 92151

Please see the attached complaint. It is in PDF format.

Hi Antonio,

Attached is an updated copy of Mr. Bybee's complaint. Please let me know, if you have any questions.

Thank You,

Guadalupe Ortiz
Public Utilities Consumer Analyst
Arizona Corporation Commission
Utilities Division
Phone: (602) 542-2406
Fax: (602) 542-2129
Email: Gortiz@azcc.gov

ATTACHED: ACC Complaint No. 92151
End of Comments

Date Completed: 1/10/2011

Complaint No. 2010 - 92151